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# Agricultural Situation

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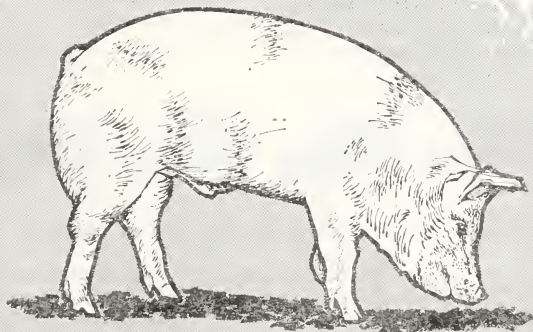
## LOWER HOG PRICES IN PROSPECT FOR 1963

According to the data on hog production in the December Pig Crop Report, somewhat lower prices for hogs are in prospect for 1963.

This report—based on questionnaires returned by 177,000 farmers—shows that the supply of slaughter hogs in 1963 probably will provide an increase in pork production somewhat greater than the growth of consumer demand. The larger supply of pork also will face

competition from larger supplies of beef throughout 1963. Therefore, prices for slaughter barrows and gilts are expected to average lower than last year.

The June–November pig crop, the main source of pork production for the first half of 1963, was 5 percent larger than the 1961 fall pig crop and the second largest of record for these months. The increase in the number of pigs saved in the June–November



farrowing season last year was due to a 4 percent increase in the number of sows farrowed and a record 7.23 pigs saved per litter.

The increase in pork production from last year's fall pig crop likely will be concentrated in the March-June period. The number of sows farrowed in June and July of 1962 was the same as a year earlier. However, the number of sows farrowed in the peak fall farrowing months of August and September was up more than 6 percent from a year earlier. Farrowings in October and November were up 3 percent. Therefore, the bulk of the increase in fall farrowings occurred in the months which normally supply slaughter barrows and gilts for the late winter and spring slaughtering period.

Hog producers reported intentions, as of December 1, to have 3 percent more sows farrow in the December 1962-May 1963 farrowing season. If their intentions are carried out, and the number of pigs saved per litter equals the average plus an allowance for trend, the 1963 spring pig crop would total about 51.5 million head. This would be an increase of 4 percent from the 49.7 million pigs saved in the December 1961-May 1962 period.

Pork production will be slightly more concentrated in the North Central area this year than was true a year ago. Whereas, the number of pigs saved in the 1962 fall pig crop was up 5 percent in the North Central Region, an increase of 3 percent was realized in the North and South Atlantic Regions, a 1 percent increase occurred in the South Central Region, and no increase occurred in the Western Region.

Likewise, if farrowing intentions materialize, the number of sows farrowed in the 1963 spring pig crop will be up 4 percent in the North Central and South Atlantic Region. But 1 percent fewer sows will be farrowed in North Atlantic and South Central States. The Western States will be down 6 percent from a year earlier.

Recent years have been characterized by an upward trend in the fall pig crop, both in terms of total numbers and as a proportion of the number of pigs saved per year. The combined spring and fall pig crops of 1962 totaled 94.2 million head—up 1 percent from the total number of pigs saved the preceding year. In 1962, the fall pig crop accounted for slightly over 47 percent of the year's total compared with 46 percent the preceding year and an average of 41 percent for the 10-year, 1951-60 period.

An increasing population has been a factor, tending to increase the demand for pork. However, much of the effect of the increase in population has been offset by a decrease in consumer preference for pork. Despite an average decline of 1 percent per year in the retail price of pork since 1951, per capita consumption has also declined at the rate of about 1 percent per year. Consequently, little assistance, in the form of an increased consumer demand, can be expected to offset the increase in pork production predicted for this year. The bulk of the increase in production will tend to depress pork prices.

*Lawrence Van Meir*  
*Economic Research Service*



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# CATTLE ON FEED INCREASE 12 PERCENT

On January 1 this year there were nearly 9.0 million head of cattle and calves on feed for slaughter market in 28 major feeding States (12 North Central States, 11 Western, Pennsylvania, Georgia, Alabama, Oklahoma, and Texas). This was 12 percent more than the 8.0 million head on feed in these States a year earlier. Numbers on feed were up seasonally 46 percent from October 1, 1962, compared with an increase of 41 percent for this period a year earlier.

An additional 342,000 head of cattle and calves were on feed for slaughter market in 6 Atlantic States and 5 South Central States January 1. This was an increase of 5 percent from January 1 of last year. Cattle on feed data for these States are available only once a year. The 28 States plus these 11 States give a 39 State total of about 9.3 million head, up 12 percent from a year earlier.

The North Central States had 5.7 million head on feed January 1, an increase of 7 percent from January 1, 1962. All States in this region, except Nebraska, had more cattle on feed than a year earlier. Iowa, the leading State, was up 6 percent; Illinois was up 8 percent; but Nebraska was down slightly. The largest increases were shown for: North Dakota, up 30 percent, Ohio, up 14 percent, and Indiana, Minnesota, and Kansas, each 13 percent higher. Other increases ranged from 2 percent for South Dakota to 10 percent for Wisconsin.

The 11 Western States with 2.6 million head of cattle and calves on feed January 1 showed a 24 percent increase from January 1 last year. All but 2 States in this region had more cattle on feed than a year earlier. California, the leading Western State, was 28 percent higher, Colorado was up 32 percent, and Arizona was up 25 percent. Other increases ranged from 3 percent for Montana to 34 percent for New Mexico. Wyoming, down 2 percent, and Nevada, down 29 percent, were the only Western States with fewer cattle on feed than a year earlier.

States in other regions show changes in cattle feeding from January 1, 1962 as follows: Pennsylvania, down 12 percent; Georgia, down 30 percent; Oklahoma, up 1 percent; Texas, up 33 percent; and Alabama, unchanged. Of the 6 Atlantic States with data available on an annual (January 1) basis, 3 had fewer cattle on feed, 2 had more on feed, and 1 was unchanged. For the 5 South Central States on an annual basis, 4 were up and 1 was unchanged.

In the 28 States increases from a year earlier are shown for all weight groups. The number weighing less than 500 pounds was up 11 percent; cattle weighing 500-899 pounds were up 15 percent; the 900-1,099 pound group was up 6, and those weighing over 1,100 pounds were up 7 percent from January 1, 1962.

On January 1, cattle and calves on feed less than three months in the 28 States were up 10 percent from a year earlier. The number on feed 3 to 6 months was up 23 percent, but cattle on feed more than 6 months were down 8 percent.

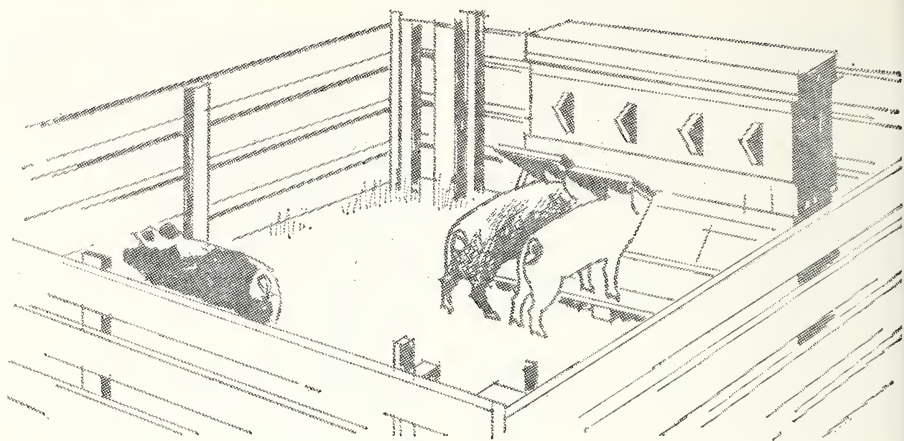
The number of cattle and calves placed on feed during October, November, and December 1962 was up 9 percent from a year earlier. Marketings of fed cattle, during this same period, were up 1 percent. By regions, marketings were down 3 percent in the North Central States but up 6 percent in the Western States.

Cattle feeders in the 28 States expect to market nearly 3.8 million head of fed cattle during January-March 1963 or 42 percent of the January 1 number on feed. This is 9 percent more than marketed during the same period last year.

*Dan L. Herbert*  
*Statistical Reporting Service*



# HOG FARMS ARE GETTING LARGER



One of the trends shown by the 1954 and 1959 Censuses of Agriculture is the trend toward larger hog farms in the United States. Both the number of litters farrowed and the number of pigs sold per hog farm are on the increase.

Twenty-nine percent of the hog farms in 1954 farrowed ten or more litters, while 35 percent farrowed ten or more in 1959. The average number of farrowings per hog farm increased from 12 in 1954 to 14 in 1959. Spring farrowings accounted for seven of the 12 farrowings in 1954 and eight of the 14 farrowings in 1959.

In total yearly production, fall farrowings have become increasingly important. Fall farrowings increased from 39 percent of total farrowings in 1954 to 44 percent in 1959.

On farms, reporting sales, there was an average of 40 hogs sold per farm in 1954. The average jumped to 64 in 1959. In 1954 the average number of hogs sold per farm represented an approximate increase of 25 percent from the average number sold in 1944 and 1949. The 1959 jump in the average number sold amounted to a 60 percent increase over 1954.

The South and the North Central Regions accounted for over 96 percent of the hog production in 1959. The North Central Region reported the

highest average number of hogs sold per farm with 89, and the South, the lowest with 27. The Northeast and the West fall between these extremes. In 1959 hog farms in the Northeast sold an average of 38 hogs, and farms in the West sold an average of 45 hogs. For the Northeast, West, and North Central Regions the average number of hogs sold per farm increased around 55 percent from 1954 to 1959. The average number of hogs sold per farm in the South increased nearly 70 percent during the 5 year period.

The Censuses of Agriculture group hog farms by the number of hogs sold from them per year. In 1954, only 48 percent of all hog farms sold more than 20 hogs. The proportion of hog farms in that same size-class had increased to 60 percent by 1959. One-fifth of the hog farms sold 100 or more hogs in 1959. Only about one-tenth sold 100 or more hogs in 1954.

In the North Central Region, nearly one-third of the farms selling hogs sold 100 or more in 1959. In the other 3 regions less than one-tenth of the farms selling hogs sold 100 or more hogs in 1959. For each of the regions the proportion of hog farms selling 100 or more hogs doubled between 1954 and 1959.

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# A PRODUCTION PRACTICE THAT COSTS TURKEY GROWERS MONEY

Although dubbing, cropping, notching, or pinioning the wings of turkey poults to prevent flying has become a common practice among growers in recent years, enough data and personal observations by Federal inspectors in processing plants have now been gathered to indicate that it may be rather costly to growers.

This practice may have some merit in helping to control the flock on the range, or to prevent bashing in pens, but it may result in the loss of several hundred dollars to the grower when the birds are sold for processing. This is because cropping leads to downgrading at the processing plant, and these losses are usually borne by the producer, not the processor.

Since Federal inspection of poultry processing became mandatory four years ago, U.S. Department of Agriculture inspectors have been able to observe this situation more closely. They agree that wing-cropping of poults is hurting many growers financially, although the growers may not realize it.

The inspectors, who are employed by the Poultry Division of USDA's Agricultural Marketing Service, explain that the basic trouble is that many of the wings never completely heal after cropping. As a result, there develops a chronic inflammatory lesion on the wing stub. Often these lesions become infected with various staphylococcus bacteria. Some of these bacteria can produce food poisoning in humans when consumed in foods.

Also, it has been repeatedly noted, birds which have had one wing cropped do not have proper balance control. When they jump down from roosts they may get severely bruised. In addition, wing-cropping may be a contributing cause of breast blisters.

As growers are aware, carcasses or parts of carcasses which have inflammatory lesions or severe bruises are not considered wholesome or fit for human food. However, when only a part of a carcass is affected, it may be possible to remove such inflamed areas or bruises

so as to make the rest of the carcass wholesome and fit for food.

But should the processor decline to carry out such a salvage operation, the inspector then has no other recourse except to condemn the entire carcass.

Trimming to remove lesions, bruises or blisters, unfortunately will probably result in lowering the grade of the carcass. So if a carcass is of grade A quality in all other aspects, but the wing is trimmed off to the second joint, the carcass will then become grade B. And if the entire wing is removed, the carcass will become grade C.

The rules for grading are provided in the regulations governing the inspection and grading of poultry as promulgated under the Agricultural Marketing Act of 1946.

Many processors who have discussed this matter with Federal inspectors revealed that turkey flocks which have had to undergo such trimming in their plants frequently suffer a 10 to 15 percent downgrading. This would be a significant loss of income to the growers.

This loss of income will usually be borne by the grower, since processors normally buy turkeys on an inspected and graded basis.

The observations of AMS inspectors around the country indicate that these wing-clipped flocks will become increasingly difficult for the producer to sell to a processor at all. The processor does not want to have his line stopped while parts of some birds are trimmed to meet the Federal requirements for wholesomeness. These delays cost him money in lost efficiency and volume per hour.

*Dr. R. D. Wenger  
Agricultural Marketing Service*

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## The Farmer's Share

In November 1962, the farmer's share of the consumer's food dollar was 39 cents, the same as it was in October. In October 1961, the farmer's share was 38 cents.



# LARGER TURKEY CROP IN PROSPECT THAN IN 1962



Turkey growers intend to produce 3 percent more turkeys in 1963 than last year, according to a January 1 survey.

An increase of 3 percent is planned for heavy breeds, and 2 percent for light breeds. If growers carry out their intentions, about 94.4 million turkeys will be raised, compared with 91.8 million in 1962.

Growers plan to raise 85.6 million heavy breed turkeys or 3 percent more than last year. Heavy white breeds will account for about 40 percent of all heavies raised this year, compared with 38 percent last year. This proportion has been climbing steadily in recent years. Five years ago heavy whites comprised only 21 percent of all heavy breeds. Growers plan to raise 34.4 million heavy white turkeys, an increase of 10 percent compared with last year, as well as 51.1 million bronze and other heavy breed turkeys, a decrease of 1

percent, and 8.8 million light breed turkeys, an increase of 2 percent from 1962 production.

These figures reflect growers' plans as of January 1. The actual number raised this year may vary from these intentions. Many factors might influence a change.

Some of these are the reaction to the intention report itself, price of feed, supply of hatching eggs, and prices received for turkeys during the next few months.

Prices received by farmers for live turkeys during the 1962 fall marketing season averaged about 4 cents a pound above a year earlier. From July through December the relationship between turkey prices and feed prices has been more favorable to producers than the same period a year ago.

*D. T. Mateyka*  
*Statistical Reporting Service*

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## Availability of Grass and Legume Seeds in 1963

With spring just around the corner, it will soon be time to finalize plans for spring planting. The relative availability of grass and legume seeds should be given consideration in making your plans. Following last year's lower production, you may find local supplies of several seeds below normal, and some substitutions may have to be made.

In comparing supplies available with requirements for domestic use in recent years, it appears that sweetclover seed and lespedeza seed will continue to be in short supply this year. Imports play

a major role in the supply of sweet-clover seed, but our supply of lespedeza seed is limited to domestic production. Smooth bromegrass, Merion Kentucky bluegrass, lupine, hairy vetch, and common vetch will be in short supply also.

Supplies of many seeds appear to be adequate for usual seeding requirements, but insufficient to allow for normal carryover. Seeds in this category include alfalfa, red clover, white clover, timothy, redbud, orchardgrass, crested wheatgrass, tall fescue, Kentucky bluegrass, Sudangrass, bentgrass, crimson



clover, and purple vetch. If your plans call for any of these seeds, it might be well to order early and accept delivery as soon as possible.

Stocks of five other seeds—alsike clover, chewings fescue, Austrian winter peas, and ryegrass—are ample in relation to spring and summer seeding requirements.

Kinds and varieties of seeds are important, especially if tight supplies prompt substitutions in your original plans. Buy good seed adapted to your area and to your particular needs. Your County Extension agent can counsel you on the suitability of alternative kinds and varieties of seeds.

*William B. Hudson*  
*Statistical Reporting Service*

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## **SHEEP AND LAMBS ON FEED**

### **DOWN 5 PERCENT**

The number of sheep and lambs on feed for market on January 1, 1963 totaled 4.0 million head, 5 percent less than the 4.3 million head on feed a year earlier.

In the North Central States there were 2.2 million sheep and lambs on feed, a decline of 9 percent from the 2.5 million head on feed January 1, 1962. Kansas had the sharpest percentage decline where numbers were 27 percent below the previous year. Other decreases were in Indiana, 20 percent; Illinois, 16 percent; Ohio and Missouri, each 15 percent; Wisconsin, 14 percent; Minnesota, 9 percent; Iowa, 6 percent; and Nebraska, 4 percent. States with increasing numbers of sheep and lambs were Michigan with 6 percent; and North Dakota and South Dakota, each with a 3 percent increase.

In the 11 Western States, sheep and lambs on feed totaled 1.5 million head—4 percent more than a year earlier. Five States showed the following increases: California, 22 percent; Washington, 20 percent; Idaho, 12 percent; New Mexico, 6 percent; and Colorado, 1 percent. Numbers decreased in Nevada by 25 percent; in Oregon by 17 percent; in Arizona by 13 percent; and in Utah by 10 percent. Montana and Wyoming showed no change.

Texas was down 15 percent; Oklahoma showed a decline of 19 percent; New York was off 14 percent from the January 1, 1962 number on feed.

Sheep and lambs on feed for market totaled 2.5 million head in the 7 major feeding States on January 1, 1963. This was a decline of 3 percent from the number on feed a year earlier but slightly above the number on feed November 1, 1962. These 7 States accounted for 61 percent of the total on feed. Compared with November 1, 1962, Kansas was up 11 percent; Texas, up 13 percent; and California, up 6 percent. South Dakota was down 12 percent; Nebraska, down 3 percent; and Colorado, down 1 percent. Iowa was unchanged.

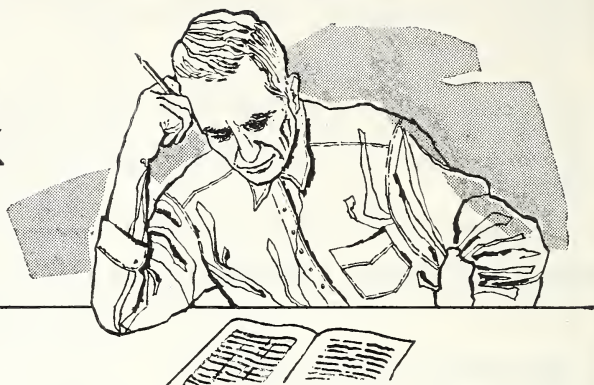
Placements during November and December in the 7 major States totaled 876,000 head, 36 percent of the number on feed January 1, 1963. The remaining 64 percent had been on feed more than two months.

November and December fed sheep and lamb marketings from these 7 States were 866,000 head. This was a decrease of 2 percent, compared with the 882,000 head marketed from these States in the corresponding two months of 1961.

*James L. Olson*  
*Statistical Reporting Service*



# outlook



## LIVESTOCK

Red meat production in the first half of 1963 likely will be up significantly from a year earlier. The meat supply will include more beef and pork and less veal, lamb, and mutton. A record supply of fed beef will be available during the first half of the year. Marketings of fed cattle, through June, may be 8 to 10 percent more than in the same period of 1962.

Through winter, slaughter weights of steers and heifers are expected to equal those of a year earlier. In spring they are expected to be heavier.

## HOGS

The main impact of a 5 percent larger 1962 fall pig crop likely will occur in March through June. About the same number of sows farrowed in June and July 1962 as in these months of 1961. But farrowings in August and September were up over 6 percent from a year earlier. Barrow and gilt slaughter during March through May of this year likely will be near the record level (set in 1944) for these months.

## WOOL

U.S. shorn wool production in 1963 is expected to be less than in 1962. There has been a moderate, continuing, decline in output since 1960 because of decreasing sheep and lamb numbers.

Wool prices are expected to remain relatively stable during the 1963 marketing season, approximately the same as during the previous season. Total per-pound return (price plus payment) also will about equal that of last year, as the incentive level through December 31, 1963 remains at 62 cents per pound, grease basis. This is the same as in the first 8 years of the program.

## SHEEP

Sheep and lamb slaughter in the first quarter of this year is expected to be down substantially from a year ago, when slaughter was high because of the liquidation of lambs out of stock sheep inventory. There were 5 percent fewer sheep and lambs on feed at the beginning of this year than last. Large slaughter of lambs from stock sheep inventory is not expected.

## BROILERS

The decline in eggs set in recent months will cut broiler production to near year-earlier levels by April. First-quarter supplies, however, will be up about 10 percent from the same period last year.

## VEGETABLES

Supplies of most major canned and frozen vegetables are ample to heavy. But supplies of fresh vegetables this winter probably will be smaller than a year earlier, as a result of December freezes in Florida and January weather

damage in California, Arizona, and Texas. Supplies of sweet potatoes appear to be larger than a year ago, but supplies of potatoes are smaller. January 1 stocks of potatoes at 118 million hundredweight, though moderately smaller than a year earlier, were larger than average.



## DAIRY

Preliminary data indicate that milk production in 1962 was record high for the second straight year. Production per cow was record high also. Total production may continue somewhat above a year earlier during the first quarter of 1963.

Prices that farmers receive for all wholesale milk during this quarter are likely to run about 15 cents lower than the \$4.28 of a year earlier.

CCC purchases this quarter are expected to be less than the 4.3 billion pounds of milk equivalent bought in January through March 1962.

Commercial stocks of manufactured dairy products at the beginning of 1963 are about 4.1 billion pounds of milk equivalent, about three-fourths billion below a year earlier.

## WHEAT

Farmers agreed to divert about 5.2 million acres of winter wheat under the 1963 program. The December crop report indicated that 42 million acres were seeded. Based on seeded acreage, a winter crop of over a billion bushels is in prospect. The extent that harvested acreage will be reduced by farmer sign-up under the 1963 program is not known. Compliance with diversion plans is required for price support eligibility.

## FEED GRAINS

The total disappearance of feed grains is expected to remain high in 1962-63. During October-December, domestic use was above the 1956-60 average, but

down a little from the record high level in that quarter of 1961. Exports were up about a million tons.

Total stocks of feed grains on January 1 were 5 percent less than a year before. Carryover into 1963-64 is expected to be down about 15 percent, giving a 2-year reduction of around 25 million tons from the record going into 1961-62. The price supports for 1963 feed grains will be \$1.25 per bushel for corn, 65 cents per bushel for oats, 96 cents per bushel for barley, and \$2 per hundredweight for sorghum grain.

## EGGS

Egg production in early 1963 will be a little less than the year before because of fewer layers on farms.

## TOBACCO

Total 1962-63 supplies of flue-cured and burley tobaccos, the major kinds, are each 4 percent above the previous year and largest since 1957-58. Carryovers of flue-cured and burley at the end of the current marketing year likely will be moderately larger than at the close of 1961-62.

As for other kinds of tobacco—1962-63 supplies of Maryland, Pennsylvania, and Ohio cigar filler are larger than a year earlier. Fire-cured, dark air-cured, Connecticut Valley binder, and cigar-wrapper types are in smaller supply. Wisconsin binder supplies are almost the same as in 1961-62.



## CITRUS

Moderate supplies of fresh citrus fruit are available this winter, despite heavy losses from freezes in parts of Florida and losses in California and Arizona. In Florida damage was light in the southeastern producing areas, especially the lower Indian River area, which regularly supplies much of the fresh-market grapefruit, particularly pink and white seedless.

Fresh-market prices, up since the Florida freeze, are expected to continue higher.



# FARM ACCIDENTS . . . A GROWING PROBLEM

Farm accidents are not being reduced despite the continued decline in farm population. In fact, fatal accidents occurring on farmland increased slightly during the 11-year period 1949-59. For today's farm operator, the economic consequences of death, invalidity, and legal liability to others can be enormous.

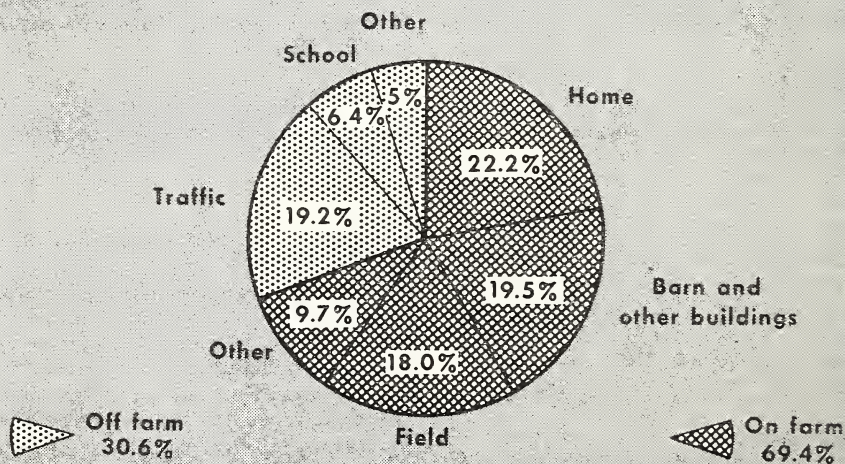
A recent USDA report shows that fatalities take between 60 and 70 persons annually per 100,000 farm people. Nonfatal injuries involving lost time occur to about 19 percent of all farm people annually. This includes about 3 percent of all farm people with some degree of permanent injury. There are, in addition, many less serious accidents that do not cause time loss but which may require medical or first-aid treatment.

Young people on farms seem to have high accident rates. We know that for the overall population the mortality rate for persons aged 15 to 24 is rather low; but more than half of it is accounted for by accidents.

Farm work is often done under hazardous conditions—uneven ground, unstable ditch banks, etc.—that cannot be easily changed, so they must be reckoned with. These conditions increase the hazards in using power machinery and equipment. Seasonally, cultivation and harvesting require long hours of work—long hours which create fatigue and induce shortcuts that may lead to serious injury. Because of the isolation of farms, prompt first aid and medical attention are not always available to farm-accident victims. There is also less supervision of the work than in industry, and when a farmworker is alone there is less chance that he will get prompt attention in case of serious injury.

Perhaps a majority, some say 80 percent, of all accidents can be charged to carelessness. Available data indicate that very few accidents result from mechanical failure. Even in the handling of animals, the danger of injury can be greatly reduced by a few simple safety precautions.

## FARM ACCIDENTS BY PLACE OF OCCURRENCE



ERS ESTIMATES, BASED ON STUDIES MADE IN DELAWARE, IOWA, OHIO, AND TEXAS,  
AND BY THE BUREAU OF AGRICULTURAL ECONOMICS, USDA, IN 1945.



The coming of the automobile has changed the accident pattern of farm folk in an important way. Nearly half of the fatalities occur off the farm—mostly in traffic. A lower proportion occur at public places and in recreational areas. However, most of the nonfatal accidents occur on the farm premises, either in the home, in out-buildings, or on the land. The widespread construction of farm ponds brings new hazards, principally to small children. You can obtain a copy of "Make Your Farm Pond Safe—Prevent Drownings," PA 396, dated October 1961, from the Soil Conservation Service, USDA.

Machinery, drownings, and firearms account for 62.8 percent of the fatal accidents occurring on farmland, excluding the farm home, according to data furnished by the National Vital Statistics Division, Public Health Service of the Department of Health, Education, and Welfare. Falls, blows from falling objects, burns and hot substances, animals, and electricity account for another 27 percent.

The average cost per claim paid for lost-time injuries to farm employees insured under workmen's compensation coverage amounts to about \$200. In addition, the average medical payment for no-lost-time injuries was about \$20. Limited data for a few States (not the same in every case) indicate that such payments averaged about \$6,500 in the case of fatalities, \$8,000 for permanent total disabilities, just under \$1,700 for permanent partial disabilities, and about \$200 for temporary total disabilities involving lost-time cases.

It is estimated that the cost of medical and hospital services to injured farm workers represents only about a fourth of the total costs involved. In addition, there are indirect costs such as loss of wages or income that are difficult to compute.

Also, a recent report, "Farm Accidents in the United States," AFR 17, October 1962, by the Economic Research Service, provides additional information for the guidance of farm-accident prevention programs.

*John D. Rush  
Economic Research Service*

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## LARGE 1962-63 RICE SUPPLY

The supply of rice in the United States in 1962-63 is estimated at 70.1 million hundredweight (rough rice equivalent), 8 percent above the supply a year ago. The large supply results from the record 1962 crop of 64.5 million hundredweight which more than offsets the small beginning stocks. Imports in 1962-63 are estimated at 0.3 million hundredweight.

Domestic disappearance in 1962-63 is estimated at 29.1 million hundredweight, nearly a million hundredweight above that of last year. Food use, estimated at 21.5 million hundredweight, is up slightly from the 21.1 million used in 1961-62. Brewers' use of about 5.0 million hundredweight and combined seed and feed use of 2.6 million are both only slightly changed from a year earlier.

Exports in 1962-63 are estimated at 32.0 million hundredweight, about 10 percent above those in 1961-62.

On the basis of these estimates, the carryover on August 1, 1963, may total about 9.0 million hundredweight, up substantially from the 5.3 million hundredweight on August 1, 1962, but below those of most other recent years.

The 1962-63 average price received by farmers, including an allowance for unredeemed loans and purchase agreements, is currently estimated at \$5.02 per hundredweight, 31 cents above the announced support of \$4.71.

In the referendum held on January 11, producers approved rice marketing quotas for 1963 by an 87.9 percent majority, according to preliminary returns. This is substantially more than the required two-thirds majority of the producers voting. The 1963 acreage allotment is 10 percent above the statutory minimum allotment as in 1962. The increase in allotment has

been continued to assure adequate supplies of rice for export needs.

The advance national average minimum support price for 1963-crop rice was announced at \$4.71 per hundredweight, the same as for the 1961 and 1962 crops.

Assuming a harvested acreage of 1,765,000 acres, a crop of about 61.8 million hundredweight would be produced in 1963, if yields are near the 1960-62 average. With a crop of this size added to the estimated August 1, 1963 carryover of 9.0 million hundredweight and estimated imports of 0.3 million hundredweight, the total sup-

ply would be about 71 million hundredweight.

Domestic disappearance in 1963-64 is estimated at 29.0 million hundredweight, about the same as that estimated for the current year. Exports in 1963-64 are projected at about 33.0 million hundredweight, slightly above the 32.0 million hundredweight currently estimated for 1962-63.

On the basis of these estimates, the carryover of rice on August 1, 1964 may be about the same as the 9.0 million hundredweight currently projected for August 1, 1963.

*William R. Askew*  
*Economic Research Service*

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## **WORLD AGRICULTURAL PRODUCTION INCREASED IN 1962**

The world moved toward better balance between agricultural production and demand in 1962, and further progress is expected in 1963.

World prices of food products increased slightly in 1962 after dropping for several years. However, there were some price declines, mainly among non-food farm products and some edible oils.

After a year of low production in some major exporting countries, production of wheat, rice, barley, flaxseed, and cotton was stimulated by strong demand in 1961-62, and reduction in carryover stocks.

In a report, the 1963 *World Agricultural Situation*, the Economic Research Service indicates that the production of several grains, tobacco, and most animal products is expected to increase in the coming season.

Conditions for agricultural production were favorable in most areas of the world during the 1962-63 crop year.

Weather conditions in the Western Hemisphere were generally favorable although drought in Mexico reduced the 1962 corn harvest and may reduce livestock production in 1963.

Despite unfavorable planting and growing conditions in some European countries, Western Europe had record livestock and crop production.

In Eastern Europe, agricultural output was reduced by cool, wet weather in the northern regions and by drought in the Danubian countries and the southern regions of European U.S.S.R. In the Soviet parts of Asia, both grain and cotton production were reduced by lack of water.

Agricultural production increased sharply in the Middle East and most of Africa, except the Congo.

The Common Agricultural Policy of the Common Market may begin to restrict agricultural exports of non-members in the year ahead, the report pointed out. Although it is too early to measure effects of the Common Market's variable levy system, there are indications it may curtail imports of several products—including wheat, wheat flour, and feed grains.

World agricultural trade in 1962 appears to have maintained the high level of 1961. And long-term USDA projections point to a rising level of world trade in agricultural products, including those of the United States. Among factors on which this projection is made are the sustained economic growth in the more industrialized countries, and the record holdings of gold and dollars in many of the principal importing countries.

# THE OUTLOOK FOR FLAXSEED

Flaxseed farmers produced 32 million bushels of seed in 1962. This is 44 percent above last year's drought ridden crop. Carryover stocks on July 1, 1962 (the start of the new marketing year) raised total supplies to 36 million bushels.

Total disappearance of flaxseed in 1962-63 is forecast at 26 million bushels. Crushings should be the same as last year which, at 19 million bushels, were the lowest since 1932. Exports should total 4 million bushels, 3 million of which have already been shipped. Another 2 to 3 million bushels are needed for seeding the 1963 crop. Carryover on July 1, 1963, will total 10 million bushels.

Prices to farmers have tumbled since the start of the 1962-63 season. A drop from \$3.05 in July 1962 to \$2.72 a bushel in December depressed prices by al-

most 10 percent. Producers face lower returns from their 1962 crop. A 1962-63 season average price of \$2.84 per bushel is 13 percent below last season. At a current support price of \$2.90 a bushel, considerable amounts of flaxseed should go under loan. As of December 31, 1962, about 3.8 million bushels of 1962 crop flaxseed were placed under support. Because of low prices this year, redemptions should be small.

Linseed oil prices are 12 percent below July 1962. At about 12.7 cents per pound (raw, Minneapolis), prices are approaching the lowest range seen in the last decade. Relatively stable conditions should prevail with prices near this level the rest of the current marketing year.

*Stanley A. Gazelle  
Economic Research Service*

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## Record Number of Hides To Be Exported in 1963

Total cattle slaughter in 1963 is expected to result in a hide production of almost 28 million pieces, an increase of 3 to 4 percent over 1962.

Prior to 1952, it was necessary for the America tanning industry to import hides to meet domestic leather requirements. Since then, an increasing cattle slaughter coupled with a decreasing domestic demand for leather, as a result of leather substitutes, and leather imports, has made it necessary to find new markets for United States hides. In recent years, 25 to 30 percent of our hide supply has found a market in Europe and Japan, where an apparent leather shortage still exists.

Traditionally, the Argentine and United States have accounted for 60 percent of the world cattle hide trade. During 1962, Argentine hide exports increased by 50 percent, from 9 million pieces in 1961 to 13.5 million in 1962. It now appears hide exports

from Argentina will be sharply curtailed this year, as herd rebuilding gets underway. Thus, the opportunity for exporting U.S. hides looks very favorable. Assuming domestic hide requirements remain the same in 1963, while cattle slaughter increases by 1 million head, it appears that our hide exports may reach 8.4 million pieces (30 percent of available supply).

Over the years, the value of hides has been steadily declining in relation to cattle prices. For example, in 1910, a heavy native steer hide (60 pounds) was valued at \$9.00 and the steer at \$68. The value of the hide remains at about \$9.00 today, but the value of the steer is now close to \$260.

In 1963, heavy native steer hides, which make up about 55 percent of the total hide supply, are expected to average slightly less than the 1962 price of 15.3 cents per pound.

*John W. Thompson  
Economic Research Service*



# FARMLAND VALUES MOVE HIGHER

The upward trend of farm real estate values continued unabated through most of 1962. During the year ended November 1, 1962, the average market value of farmland rose 4 percent.

This most recent rate of increase equaled the rise of 4 percent in farmland values between November 1, 1960, and November 1, 1961. As a consequence, the estimated current dollar value of all farmland, now at \$141 billion, is \$6 billion more than a year ago, and \$11 billion more than 2 years ago. These increases have raised the average value of land and buildings to nearly \$126 per acre as of November 1, 1962, and the average farm to about \$43,000.

Market values advanced in all States except Maine and Minnesota in the latest 12-months period. Values increased 5 percent or more in 19 States, most of which were in the southern and western portions of the country. These increases ranged up to 9 percent

in 4 States—Oklahoma, Arkansas, Georgia, and Florida. More modest gains of 2 or 3 percent a year have been typical of most States in the Corn Belt, Northeast, and Northern Plains regions.

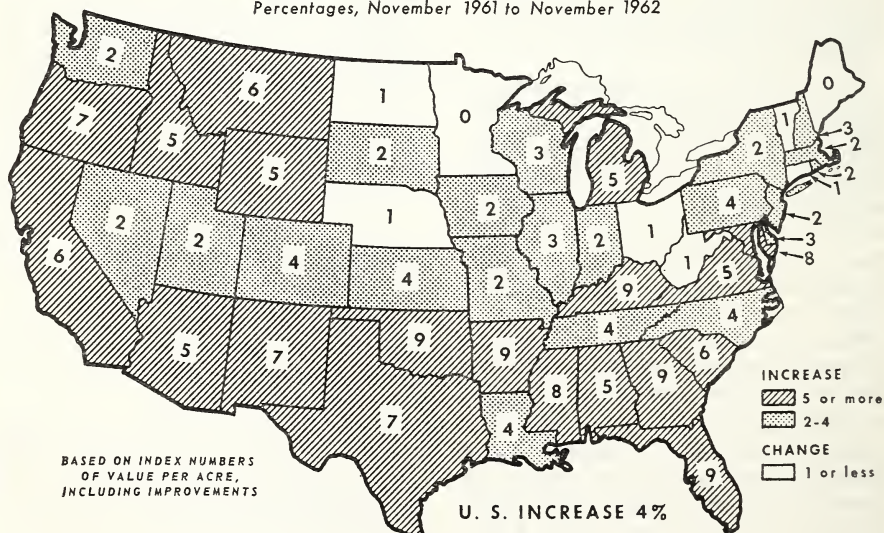
Nearly half of all farmland purchases in recent years were made by established farmers to enlarge their farms. The upward trend in land values partly reflects this demand. In addition, pressure on land prices continues to be exerted by individuals seeking rural land for a wide variety of primarily nonagricultural uses such as small, part-time farms, rural residences, private recreation, timber production, and the expansion of urban centers of population.

*John F. Gale*  
*Economic Research Service*



## CHANGE IN DOLLAR VALUE OF FARMLAND

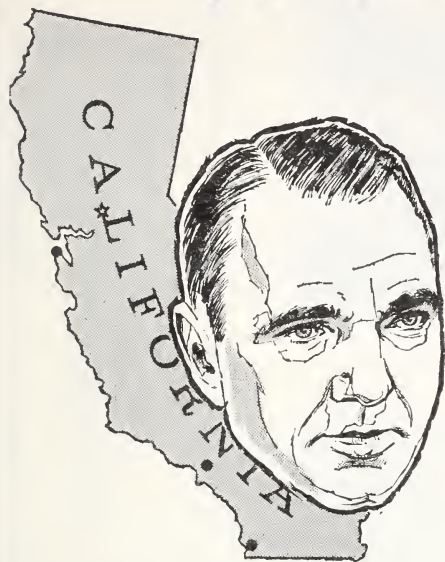
Percentages, November 1961 to November 1962





# Meet the State Statistician . . .

## W. WARD HENDERSON



California is an agricultural statistician's paradise—that is if he enjoys developing statistics of value—statistics that flow in the life's blood of an economy—statistics that are vitally needed. W. Ward Henderson, as State statistician-in-charge, oversees the collection and distribution of such statistics and does a precise and professional job of it.

Today the United States is undergoing another agricultural revolution, possibly as dynamic as the one which took place in the last century. If one wanted to take the pulse of that revolution, Henderson's office would be a good place to do so. Located across from the State capitol in Sacramento, it is staffed with 23 statisticians and about 35 clerical assistants.

Besides providing the Statistical Reporting Service in Washington, D.C., with California production information for national reports, Henderson's office, known to many as the California Crop and Livestock Reporting Service, puts out more than 400 reports annually to assist California's agribusinessmen.

Henderson and his men have pioneered in developing accurate objective yield sampling methods for many Cali-

fornia crops. They are also attempting to improve the more standard methods of crop reporting on a county-by-county basis.

Then too, as a matter of routine, they have a big business to keep ahead of. The gross cash receipts from California agriculture amount to over \$3 billion a year, the largest of any State. California leads the Nation in the production of 41 crop and livestock products, takes second place in 14, and ranks third in 6.

The California office reports on over 80 individual crop and livestock items, many of them specialty crops grown only in that State such as dates, purple vetch, and pomegranates. To accomplish this, Henderson's statisticians must cover an 800 mile long State with widely scattered production areas. It is not unusual for a California statistician to travel 20 or 25 thousand miles a year by car and make 6 to a dozen plane trips.

Henderson's travel on the way up the ladder to his present job has ranged from one end of the country to the other. Born in Hardy, Nebraska, his first job in Agriculture was with the Nebraska Department of Agriculture in 1936. Later he worked at the State Experiment Station in New Brunswick, New Jersey, while doing graduate work at Rutgers University. After serving as a Navy communications officer during World War II, he spent five years at the New York State statistician's office, and from there was assigned to Washington to work on enumerative survey projects until 1957.

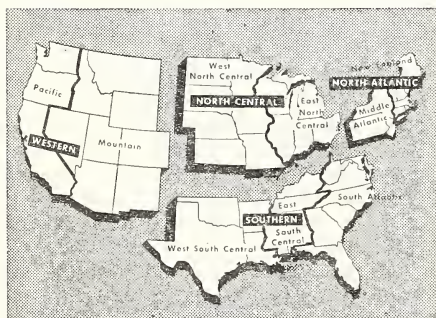
Henderson, his wife, Ruthe, and their children, Bill, 22, Nancy, 21, and Lauri, 15, have only been Californians since 1957, the year before he became the statistician-in-charge. Since then Henderson has witnessed dynamic changes in the State's agriculture as well as in the size and scope of his responsibilities to an informed agricultural economy. His experiences are proof that even statistics are far from dull in the great State of California.

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